

shovels

Shovels Quarterly Permit Index

Q1 2025



INTRODUCTION

NAVIGATING A COMPLEX CONSTRUCTION LANDSCAPE

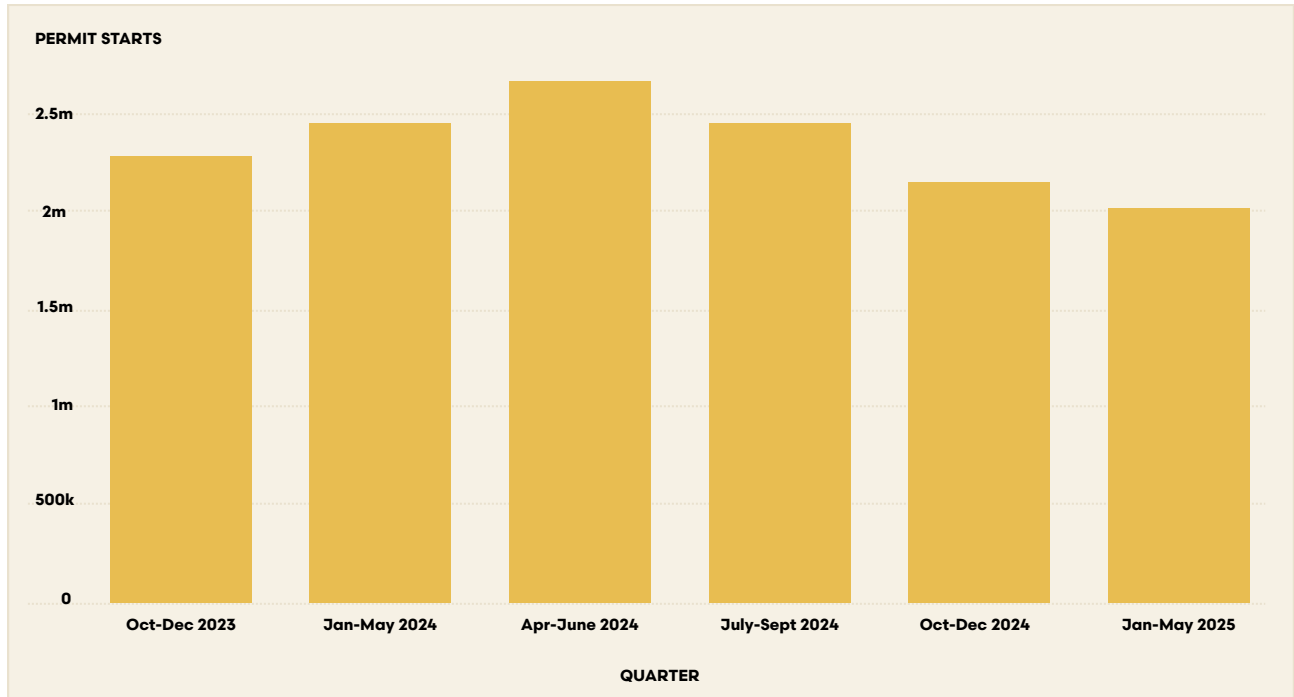


In this inaugural Shovels Quarterly Permit Index, we're going to take a look at how building permits help us understand what's happening in construction. They're like a crystal ball that shows us where the industry is headed and how people are feeling about the economy.

In this report, we'll explore what's been happening, including how inflation, interest rates, supply chains, and new trade rules are shaping the construction world.

THE BIG PICTURE

US PERMITS ARE DOWN, BUT THERE'S A SILVER LINING



Source: [Shovels.ai](https://shovels.ai)

Here's what we found:

🕒 The US saw about 2.02 million building permits in Q1 2025, which is down 6.1% from Q4 2024's 2.16 million.

While this is our third quarter in a row of decreases since things peaked in Q2 2024, there's some good news - the decline is actually slowing down compared to the bigger 12.5% drop we saw between Q3 and Q4 2024.

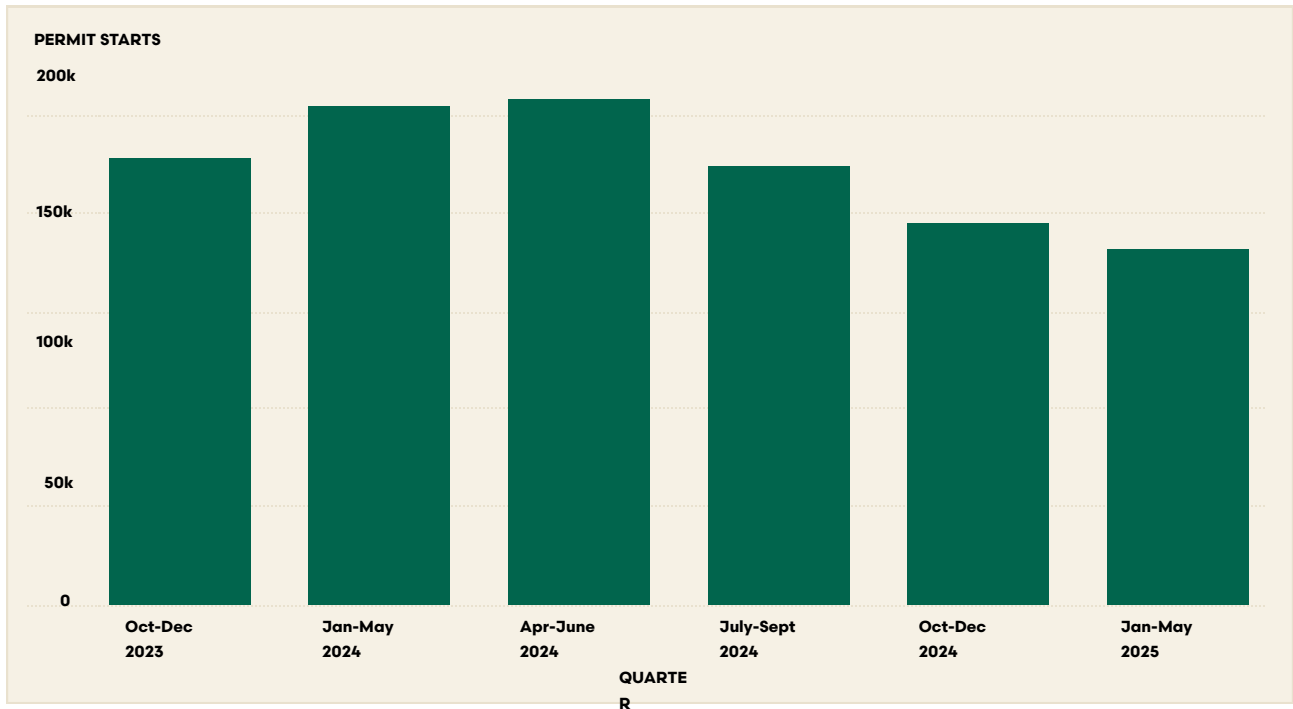
What's behind these numbers? Well, we're dealing with some challenging economic conditions:

- **Construction costs** are still feeling the pinch from inflation, even though some areas are starting to improve.
- We're seeing some ups and downs in **material prices** - things like steel, lumber, copper, and aluminum - partly because of supply chain hiccups and new trade rules.
- The **new tariffs that came in during early 2025**, especially that 25% charge on steel and aluminum imports from February/March, are making homes more expensive to build.
- and with **extra tariffs on goods from China and the UK**, getting materials isn't as simple as it used to be.

On the money side of things, interest rates are still pretty high in early 2025, even though the Federal Reserve made some cuts late last year. This affects both borrowing costs and how affordable homes are for buyers. Mortgage rates have been bouncing around quite a bit, mostly because they're tied to how people think inflation and Fed policies will play out. While we might see rates come down a bit by the end of the year, they'll probably stay on the higher side. Naturally, this makes folks think twice before starting new projects.

Here's some encouraging news:

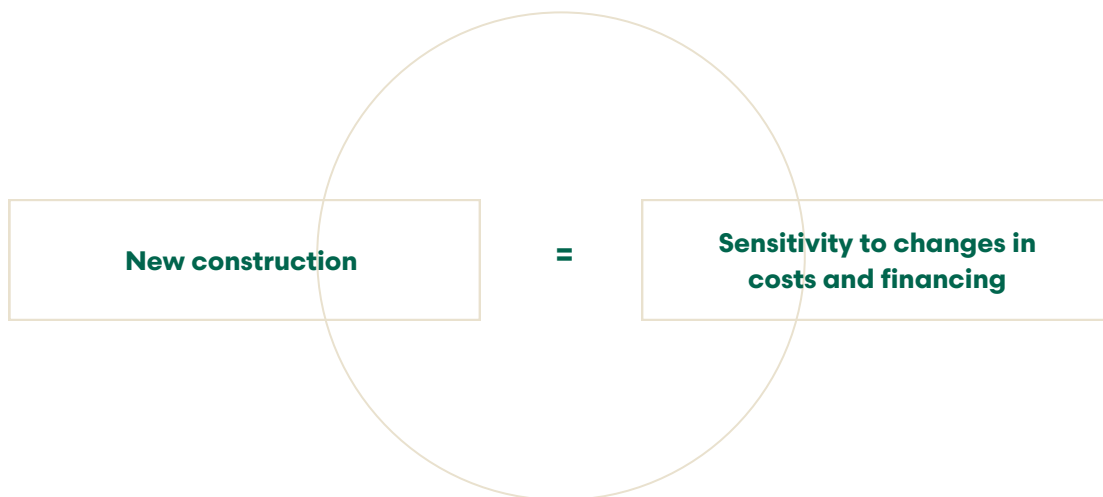
👉 Homebuilders are feeling a bit more optimistic in early 2025! While they're still dealing with challenges like material costs, interest rates, and regulations, there's a growing sense that better days are ahead.



Let's look at what the numbers tell us about building permits. New construction permits are following the same pattern we see in overall permits, showing us how builders adapt to the changing economy. In Q1 2025, we saw 134,000 new construction permits - that's down 7.2% from Q4 2024's 145,000 permits. While this is our third quarter of decline since we hit a high point of 190,000 permits in Q2 2024, we're starting to see the decrease slow down.

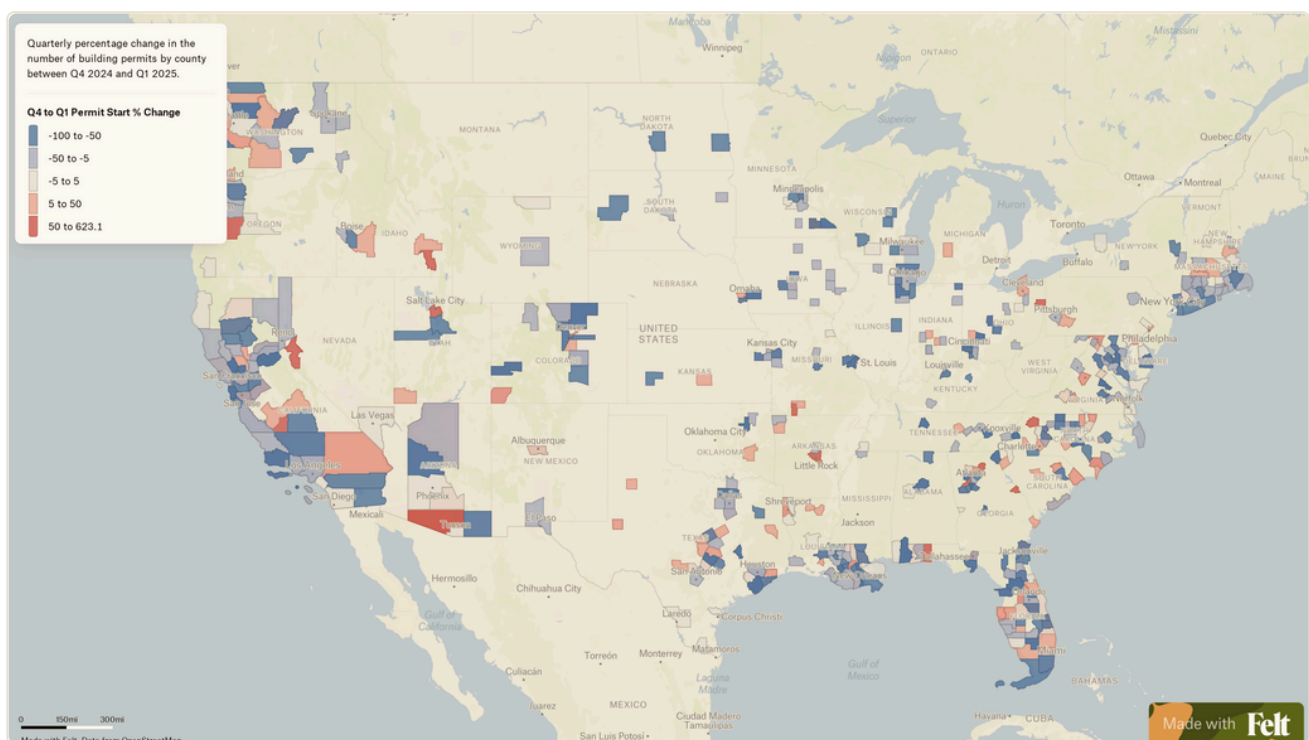
Quarter	Permit Count	Permit County % Change	New Construction Permit Count	New Construction Count % Change
2023-Q4	2,290,810		165,467	
2024-Q1	2,450,247	7%	186,980	13%
2024-Q2	2,675,679	9.2%	190,132	1.7%
2024-Q3	2,467,533	-7.8%	165,124	-13.2%
2024-Q4	2,159,356	-12.5%	145,097	-12.1%
2025-Q1	2,027,611	-6.1%	134,591	-7.2%

What's causing this slowdown:



When we see inflation stick around and new tariffs on materials like steel and aluminum, it makes building new homes more expensive. Plus, higher interest rates mean it's harder for both builders to borrow money and for potential buyers to afford homes. This has led builders to take a more careful approach, which we can see in the quarterly permit numbers.

COUNTY-LEVEL PERMIT ACTIVITY: DIVERSE REGIONAL RESPONSES TO MARKET CONDITIONS



Looking closer at individual counties gives us some happy surprises - while some areas are facing challenges, others are showing impressive strength and growth!

[Explore this map](#)

Counties with Substantial Growth :

➤ While some counties with very low Q4 2024 permit counts (e.g., San Mateo, CA; Benton, WA) showed high percentage growth, more indicative growth from a significant base includes:

- **Pulaski County, AR:** —————→ Increased from 67 to 582 total permits (+769%)
- **Mahoning County, OH:** —————→ Rose from 378 to 1787 total permits (+373%)
- **Salt Lake County, UT:** —————→ Grew from 212 to 946 total permits (+346%), with new construction permits surging from 4 to 51.
- **Richmond County, GA:** —————→ Jumped from 771 to 2560 total permits (+232%), and new construction permits increased from 29 to 158

Counties with Largest Absolute Permit Increases:

- **Philadelphia County, PA** —————→ +6,797 total permits
- **Richmond County, GA** —————→ +1,789 total permits
- **Pima County, AZ** —————→ +1,778 total permits


Counties with Notable Declines:

- **Duval County, FL** —————> -12,274 total permits (-77%), with new construction permits falling from 1523 to 466
- **Hennepin County, MN** —————> -12,677 total permits (-67%)
- **Los Angeles County, CA** —————> -5,203 total permits (-7%)
- **Miami-Dade County, FL** —————> -1,965 total permits (-7%), with new construction permits decreasing from 589 to 352

👉 This diverse performance highlights the importance of local economic factors, ongoing projects, and regional market attractiveness

THE SHOVELS TOP 20 CONTRACTORS

Builder Name	Q1	Q4	Total Growth	Q1 New Construction
<u>D.R. Norton</u>	4,237	3,224	31%	2,703
<u>Lennar Homes</u>	4,020	3,615	11%	2,798
<u>NVR</u>	1,170	820	43%	823
<u>KB Home</u>	911	1,250	-27%	536
<u>Taylor Morrison</u>	884	633	40%	367
<u>PulteGroup</u>	804	983	-18%	290
<u>Hovnanian</u>	474	413	15%	252
<u>CBH Homes</u>	460	427	8%	205
<u>Betenbough Homes</u>	452	313	44%	329
<u>Meritage Homes</u>	415	600	-31%	262



Builder Name	Q1	Q4	Total Growth	Q1 New Construction
<u>DSLH Homes</u>	4,237	479	-16%	205
<u>Toll Brothers</u>	401	290	22%	329
<u>Adams Homes</u>	354	499	-29%	262
<u>Maronda Homes</u>	312	314	-1%	221
<u>Highland Homes</u>	306	147	108%	182
<u>Stanley Martin Homes</u>	305	418	-27%	193
<u>Tri Pointe Homes</u>	293	327	-10%	146
<u>Dream Finders Homes</u>	292	514	-43%	270
<u>Mattamy Homes</u>	275	153	80%	143
<u>Habitat for Humanity</u>	269	168	60%	106

The **Shovels Top 20 Contractors** have been busy, pulling 19,716 permits in Q1 2025 - that's a 5.9% bump up from the 18,610 permits they had in Q4 2024.

The bigger builders are weathering the storm pretty well - thanks to their size, strong financial backing, and ongoing projects. They've been responsible for 14% of all permits from Q4 2023 to Q1 2025.

SOME BUILDER WINS

[View the list details here>](#)

Star Players: (Q1 2025)

D.R. Horton
(4,237 permits)

Lennar Homes
(4,020 permits)

Most Improved: (Q1 2025 vs Q4 2024)

Perry Homes
An 84% jump
(growing from 43 to 156 permits over previous quarters, with 3 straight quarters of growth)

Mattamy Homes
An 80% jump in the latest quarter

Lennar Homes
Incredible 108% growth in the latest quarter!

Special Mention:

Legend Homes deserves a shout for their impressive journey from 1 permit (that we can see) to 131! While the percentage looks huge (13,000%), we're keeping it in perspective.

Taking a Breather:

Some others are pulling back - **Meritage Homes** (-30.8%), **M/I Homes** (-20.6%), and **KB Home** (-27.1%) saw some dips this quarter. We'll take note of how this changes in next quarter's Shovels Permit Index.

LOOKING AHEAD: STAYING POSITIVE IN CHANGING TIMES

**The construction world is going through
some changes in Q1 2025**

While we're seeing folks being a bit more careful with their permits, it's totally understandable given the current situation with inflation, interest rates, and those tricky supply chain and tariff challenges, especially with steel and aluminum prices.

But here's the silver lining - we're seeing fantastic growth in some counties, and the top 20 builders are still going strong! The experts are feeling good about construction growth in 2025, even though we've got some hurdles to jump (like finding enough workers and dealing with regulations). And as interest rates settle down, we might see more homes being built, plus some exciting stuff happening in commercial construction too.

This is exactly why having detailed permit data is so valuable. Whether you're spotting local growth opportunities, keeping tabs on what other builders are up to, or figuring out how big-picture changes affect your neighborhood — we're here to help you make smart choices in this exciting 2025 construction landscape!

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